

PURPOSE AND METHODOLOGY

Purpose

The Asset Profile summarizes information on current conditions and plans in Cluster 5 to establish a foundation for developing reinvestment objectives, recommendations and priorities. The Asset Profile will also serve as a reference in continued planning for the Cluster and in providing interested investors with basic information about Cluster characteristics and the way Cluster stakeholders view the issues and opportunities those characteristics present.

Data Sources and Methodology

The Asset Profile is based on data collected from a variety of sources.

Existing Conditions Inventory

Much of the existing conditions information has been collected and mapped by the Michigan Metropolitan Information Center (MIMIC) under contract to the Community Reinvestment Strategy (CRS) project as Information Manager. Other existing conditions information was provided by the City of Detroit's Planning & Development Department (for example, major developments, historic districts) and the CRS core staff. The Technical Assistance Team also developed maps recording existing conditions (for example, vacant land, generalized land use).

Building Condition Surveys

Information on current building conditions for residential (Housing) and non-residential (Neighborhood Commercial) areas within the Cluster was collected by Cluster stakeholders in a windshield survey. Housing survey information is reported on a census block group basis; Neighborhood Commercial survey information is reported on a block front basis.

Focus Groups and IGIs

Input from Cluster stakeholders was gathered through a series of Focus Groups and Instrumented Group Interviews (IGIs). The Focus Group workshops were attended by over 100 stakeholders who "brainstormed" issues, assets and barriers to reinvestment, as well as potential reinvestment locations, and then prioritized those ideas by "voting" for the ones each participant felt were most important to the future of the Cluster as an attractive place to live and do business.

Existing Activities and Future Plans of Cluster Organizations

Community-based and housing development organizations in Cluster 5 were invited and encouraged to share information about their current projects/activities and future plans. To the extent that this information was provided, it has been reflected in the Asset Profile.

OVERVIEW

Cluster 5 is located in the southwest corner of the City of Detroit. Roughly, its boundaries are the City limits on the west and I-96 on the east from the Detroit River to Warren Avenue. A small portion of the Cluster extends east of I-96 to the Lodge south of I-75. Cluster 5 is bordered on the north by Cluster 6; by Cluster 4 to the east; by the Rouge River and Ecorse to the south and by Lincoln Park, Melvindale and Dearborn to the west and northwest.

Cluster 5's land area totals about 17.5 square miles — about 12% of the total land area of the City of Detroit.

Existing Land Use Profile

Industrial Uses

Industrial corridors divide Cluster 5 into several "tiers." The northernmost of these industrial corridors runs along the Conrail rail line from the northwest to the south across the center of the Cluster. A southern industrial corridor extends along the south side of Fort Street and a riverfront industrial corridor extends from Riverside Park to the Rouge River and the northwest.

Residential Use

Industrial corridors and expressways divide the Cluster's residential areas into many different segments. The northern residential tier includes the area to the north of I-94 and the area between I-94 and the northernmost industrial corridor. The middle residential tier includes the area between this northernmost industrial corridor and Fort Street, from Woodmere Cemetery and Patton Park on the west to I-96/I-75 on the east. However, this middle residential tier is broken into three areas by a rail corridor and I-96/I-75. The southern residential tier includes the Boynton/Southpointe area to the west of the Rouge River and the remnants of the residential area between Fort Street and the Detroit River (Delray).

Retail and Commercial Uses

For the most part, Cluster 5's commercial uses follow major roadways:

- Warren and Livernois in the northern part of the Cluster
- Michigan Avenue
- Vernor Highway
- Fort Street
- Schaefer in the western part of the Cluster

There is also a major concentration of commercial uses around Tiger Stadium.

Parks and Open Space

The Cluster's major concentration of open space (Woodmere Cemetery and Patton Park) is located on its western edge, north of Fort Street. The Cluster's riverfront open spaces include Ft. Wayne, located at the foot of Livernois, and Riverside Park, located west of the Ambassador Bridge. Clark Park is an important focal point in the southeastern portion of the Cluster. Smaller parks and open spaces are distributed across the Cluster.

Institutional Uses

Institutional uses in the cluster include its three high schools (Chadsey, north of I-94; Southwestern, on Fort at Waterman and Western, to the east of Clark Park); the YMCA (located on Clark Park) and Holy Redeemer Church and High School (located to the west on Vernor). The Southwest Detroit Urgent Care Center (formerly Southwest Detroit Hospital) is located in the eastern portion of the Cluster at the intersection of I-96 and I-75.

Expressways and Major Streets

Cluster 5 has outstanding regional accessibility with I-94 to the north, I-96 and the Lodge on the east, I-75 through the southern portion of the cluster and the Ambassador Bridge, an international gateway to Canada. Major north-south streets include West Grand Boulevard, Livernois and Schaefer; however, north-south movement through the central part of the Cluster is somewhat limited by the number, design and poor condition of rail crossings and underpasses. Major east-west streets include Warren, Michigan Avenue and Fort Street. Other important east-west streets which have lower traffic carrying capacities are Vernor Highway and Jefferson Avenue.

Regional Context

Neighborhood Commercial

As population declined in Detroit and increased in the surrounding metropolitan area, the focus of retail development and sales also shifted to the suburbs. Today, many Detroit residents have difficulty finding the quality and variety of retail goods and services they seek within the City. As a result, significant consumer dollars from Detroit are spent outside its boundaries. In 1995, Oakland County had \$15.3 billion in retail sales compared to \$3.75 billion in Detroit, despite the fact that the (1990) population of the City and Oakland County were roughly equivalent. It is estimated that Detroit consumers account for 38% of the retail sales in Oakland County.

Population migration is not the only factor drawing retail development to the suburbs. While commercial developers find easy automobile access and large shopping center sites with ample space for on-site parking in suburban areas, the assembly of larger commercial sites within the City can be expensive and time consuming. Outside of Detroit's Central Business District, the majority of commercially zoned sites have a limited development depth (approximately 100 feet) which cannot accommodate large footprint users and on-site parking without reconfiguration and re-zoning.

Housing

While Detroit's population and that of Oakland County were virtually the same in 1990, the City had fewer acres of land zoned for residential use, fewer housing units, a lower percent of owner-occupied units and a lower median owner occupied housing value. In fact, on all these measures, the City lagged behind each of the three metro area counties.

| <u>1990 Census Data</u> | <u>Detroit</u> | <u>Wayne County</u> | <u>Oakland County</u> | <u>Macomb County</u> |
|----------------------------------|----------------|---------------------|-----------------------|----------------------|
| Population | 1,027,424 | 2,111,687 | 1,083,592 | 717,400 |
| Acres zoned residential | 53,191 | 164,877 | 188,757 | 81,190 |
| Housing Units | 410,027 | 832,710 | 432,677 | 274,843 |
| % Owner occupied | 57% | 66% | 74% | 78% |
| Median value (owner occupied) | \$25,300 | \$48,500 | \$95,400 | \$76,800 |

Not surprisingly, new suburban residential construction (measured by 1996 construction permits) greatly exceeds residential construction within the City.

| <u>Construction Permits 1996</u> | <u>Detroit</u> | <u>Wayne County</u> | <u>Oakland County</u> | <u>Macomb County</u> |
|----------------------------------|----------------|---------------------|-----------------------|----------------------|
| Single and Two family | 55 | 2,807 | 6,021 | 4,331 |
| Multifamily | 31 | 1,331 | 1,155 | 1,165 |
| Gross total | 86 | 4,138 | 7,176 | 5,496 |
| Demolitions | 8,432 | 8,798 | 424 | 156 |
| Net total | -8,346 | -4,660 | 6,752 | 5,340 |

Job Centers

Oakland County also takes the lead in jobs-related development in the metropolitan Detroit area. The Michigan Employment Securities Administration (MESA) reports that 29% (102,000) of the 351,000 jobs created in the State between 1990 - 96 were located in Oakland County. The latest available information on commuting patterns shows that 49,000 Detroiters commute to Oakland County each work day while 56,000 Oakland County residents commute to Detroit.

In 1997, Detroit's labor force totaled 395,025 with an unemployment rate of 9.7%. In comparison, the unemployment rate in Wayne County was 5.8% and 4.5 % in the State of Michigan.

Special Issues

Vacant Land

There are several areas in Cluster 5 where significant concentrations of vacant land exist.

- To the north and east of Michigan Avenue, west of Junction
- To the south and east of I-75, north and south of Vernor Highway
- To the south of Fort Street (or more precisely, Melville/South Street) between Livernois and Woodmere

These concentrations of vacant land present a significant challenge in terms of reversing a severe level of disinvestment over a large area. Nevertheless, they also represent special opportunities if large, cleared sites can be assembled and used as an incentive to attract significant reinvestment projects.

City-owned Surplus Land

A significant percentage of the parcels located in certain portions of Cluster 5 have been transferred to the City's control through the tax reversion process. In two areas — the northeastern corner of the

Cluster and the area south of Fort Street between Springwells and West Grand Boulevard — the City controls between 28% and 40% of the existing parcels. While additional land assembly is likely to be required in these areas before a large parcel could be made available for redevelopment, a very high percentage of City ownership is an indication of the feasibility of assembling an area — or sites within an area — for redevelopment.

Historic Structures and Districts

Several National Register historic sites and one historic district are located in Cluster 5:

- Ft. Wayne (83 acres), located on the riverfront at the foot of Livernois
- Beard School, on Waterman north of Lafayette
- Michigan Central Train Station, located on Michigan Avenue
- Tiger Stadium, located on Michigan Avenue at Rosa Parks
- The Corktown Historic District, generally bounded by the Lodge, Porter, Trumbull, Bagley, Rosa Parks and Michigan Avenue
- St. Anne's Church, on St. Anne at Lafayette
- Most Holy Trinity Church on 6th at Porter

The Hubbard Farms Historic District is a certified local historic district located between West Grand Boulevard, Vernor, Clark and the I-75 service drive. Zion Lutheran Church, on Military, north of Michigan, also has state and local historic designation.

Zoning

Consistent with its land use pattern, Cluster 5 has a broad range of zoning classifications from M5, Special Industrial District to R1, Single Family Residential (although the majority or residential zoning in Cluster 5 is R2, Two-family Residential). In many areas M4, Intensive Industrial Districts, are located immediately adjacent to R2, Two-family Residential Districts, despite the fact that the Zoning Ordinance recognizes the inevitability of conflicts between the two use categories. Certainly, this zoning pattern has been a factor in the decline of neighborhoods in the Cluster, especially those located to the south of Fort Street (Delray). Transitions in industrial zoning intensity and clearly defined requirements for buffering are needed to protect areas where residential reinvestment will be targeted. Moreover, consideration should be given to the use of the TM, Transitional Industrial District, zoning classification in areas where industrial is the planned end use. Because stakeholders would like to see new industrial and light industrial development take place in a planned

business park setting, some assistance and incentives may be required to assemble land and encourage its development under the PD, Planned Development District, zoning classification.

With the exception of Ft. Wayne, the riverfront in Cluster 5 is zoned M4, Intensive Industrial District. Stakeholders would like to see some of the riverfront reclaimed for less intensive development which would allow public access to and enjoyment of the riverfront. In addition, stakeholders have suggested limiting new industrial development on the southwest riverfront to water-oriented uses, as specified in zoning classification W1, Waterfront Industrial District.

Consideration should also be given to eliminating some of the commercial zoning on streets where existing commercial building conditions are poor and neighborhood commercial reinvestment is not targeted for the next 5 - 10 years. It may also be appropriate to reduce the intensity of commercial zoning (for example from B4, General Business District to B2, Local Business and Residential District, or B3, Shopping District) in some areas. On Vernor Highway, for example, stakeholders are particularly interested in encouraging a mix of residential and commercial uses in a traditional "main street" pattern of development.

Empowerment Zone/Renaissance Zone

Cluster 5 includes a state-designated Renaissance Zone which incorporates the area bounded by West End and Scotten, south of Fort Street. A portion of Detroit's Empowerment Zone is also located in Cluster 5.

Renaissance Zones, designated by the State of Michigan and the City of Detroit, provide almost total state and local tax relief to both residents and businesses in order to encourage reinvestment consistent with local zoning requirements. Taxes waived by the State include the Single Business Tax and the 6-mill State Education Tax. Local taxes waived include Real and Personal Property Tax on operating mills, Income Tax and Utility Users Tax. Renaissance Zone status can last for up to 15 years with tax relief being phased out in the final 3 years in 25 % increments.

Federally designated Empowerment Zones provide financial and other benefits to businesses locating in and hiring residents from the Zone. Employers can receive wage credits for employees who work and live within the Empowerment Zone and tax deductions for qualifying Section 179 property in the year that the property is placed in service (rather than through depreciation). Tax exempt financing is also available for eligible uses.

Socio-economic Profile

Census data from 1990 have been used to describe the socio-economic profile of Cluster 5. While these data are no longer current, they represent the best available city-wide source of socio-economic statistics.

Cluster 5 Compared to the City of Detroit

Cluster 5 is the third smallest of the City's ten clusters in terms of population. With 90,334 residents in 1990, Cluster 5 represents about 9% of the total population of the City of Detroit.

Cluster 5's median household income is \$14,414, about \$4,000 lower than the median household income for the City overall (\$18,740). Cluster 5 has the third lowest median household income of all ten clusters. The percent of people living in poverty in Cluster 5 is 38%, as compared to 32% for the City overall. At \$14,999, the median housing value in Cluster 5 is over \$10,000 lower than the median for the City overall (\$25,600). The median housing value in Cluster 5 is the lowest of all ten clusters.

Tract Comparisons within Cluster 5

A comparison of census tracts within Cluster 5 illustrates their relative degrees of stability/strength based on several indicators (% occupied structures, % owner occupancy, median housing value and median household income). This information establishes a frame of reference for determining where reinvestment can take best advantage of Cluster assets.

The census data also show that there is some diversity within the Cluster in housing values and median household incomes. For example, housing values range from \$10,000 - 26,600 and median household incomes range from \$7,247 - 19,941. Nevertheless, in other Clusters, the disparities between high and low tracts on these statistics is much more dramatic.

Organizational Profile

Crime

1996 City of Detroit data on numbers of crimes by squad car area are presented in map form to illustrate how Cluster 5 compares to other areas in the City. The majority of Cluster 5 stakeholders feel moderately safe in their neighborhoods. Gang activity, drug activity and auto theft are seen as the greatest crime issues.

Overview

Eight community-based and/or housing development organizations are active in Cluster 5 helping to rehabilitate single and multi-family housing, construct infill housing and plan for the construction of significant new housing developments. In addition, two community-based development organizations in Cluster 5 concentrate on the revitalization of commercial areas and attracting commercial reinvestment projects. Ten neighborhood organizations are also active in the area. Over twenty human services organizations are located in Cluster 5; a number concentrate on youth development services and programs, while others provide a broad range of counseling, employment assistance and social service programs for both target populations and the general public.